

**Testimony of Jeff Bishop of Brookfield Renewable Energy Partners on Connecticut Senate Bill
1078: An Act Concerning Affordable and Reliable Energy**

Brookfield Renewable Energy Partners (TSX: BEP.UN; NYSE: BEP) ("Brookfield Renewable") operates one of the largest publicly-traded, pure-play renewable power platforms globally. Its portfolio is primarily hydroelectric and totals over 6,700 megawatts of installed capacity. Diversified across 72 river systems and 13 power markets in the United States, Canada, Brazil, the Republic of Ireland and Northern Ireland, the portfolio's output is sold predominantly under long-term contracts and generates enough electricity from renewable resources to power more than three million homes on average each year. Brookfield Renewable has a significant presence across the Northeast, with over 2,100 MWs in operation across 125 facilities, including hydroelectric, pumped storage, and a wind farm. For more information, please visit www.brookfieldrenewable.com.

Connecticut has been a leader in New England and throughout the nation in developing progressive policies moving the state to cleaner, cheaper, and more reliable power. While SB-1078 appears to continue to move the state to its goals, Brookfield Renewable must oppose SB-1078 as it is unclear if all clean energy sources are able to compete to give the lowest clean energy prices to the state.

The language for SB-1078 is linked to the not yet released Connecticut Integrated Resource Plan (IRP). As Brookfield Renewable submitted to the Department of Energy and Environmental Protection last month, the draft IRP rightfully identifies the challenges facing New England as a whole and the state in particular: (i) environmental compliance stemming from state, regional, and federal policies, (ii) price volatility reflected by overreliance on natural gas, and (iii) lack of electric transmission infrastructure to access incremental low-carbon supply.

In the draft IRP, Connecticut identifies the following solutions to these challenges:

1. Increase infrastructure investments associated with supplies
2. Increase demand side management penetration and
3. Increase penetration of distributed resources.

Brookfield Renewable believes one of the best solutions available to meet the identified challenges combines new wind projects with existing small hydro, and transporting this clean energy product into New England through new transmission lines. We believe that this solution is the most cost-effective for Connecticut ratepayers, as it provides incremental capacity, clean electricity, Class I renewables and Class II renewables – while reducing the amount of emissions across the New England supply stack. As a company with 100 years of operating history, we have been diligently working with other credit worthy companies with long track records to be able to provide a complete solution on both the supply and transmission side. Our proposal would optimize – through a higher capacity usage factor - new transmission infrastructure while providing incremental reliability and resource diversification to the region. The proposal would smooth the intermittent nature of wind resources to a clean firm delivered product into southern New England. Finally, our proposal could help the state comply with Section 22a-200a (An Act Concerning Connecticut Global Warming Solutions) and 16a-3d (Comprehensive Energy Strategy).

However, both existing Connecticut statute through Public Act 13-303's Section 7 and the draft IRP as it is written limits competition by not allowing this combination of wind and hydro resources to participate in any future request for proposals.

There are two structural problems with the current Section 7 and the draft IRP (and hence with this legislation) which if modified would allow the state and the region to achieve their stated goals and objectives:

1. Emphasis on large hydro – in order to meet environmental compliance (state, regional and federal) and to increase system reliability, resource diversification, and to reduce price volatility due to fuel cost, new transmission lines bringing in clean electricity generation are needed. These issues have been identified and the draft IRP provides some guidance on how the state intends to achieve or harness these challenges. However, Connecticut has defined qualifying hydro as those projects over 30 MWs and installed after July 1, 2003. This is problematic, as it limits competition from everything but large (likely provincially-owned Canadian) hydro. The draft IRP has identified one benefit of hydro is to be used as a firming resources to bring more Class I in the region, a concept that we support but expected benefits are likely unattainable under these current limitations.

The current statute artificially erects barriers to supplies from small scale hydro resources that are generally recognized as being more environmental friendly than larger scale resources. For instance, Brookfield Renewable's northeast hydro fleet could not compete in any current solicitation, even though we are able to aggregate and secure hundreds of MWs of wind and hydro to be firmly delivered to New England on a new transmission lines. This can only be done if facilities under 30 MWs are allowed to be aggregated together to create the supply that Connecticut demands.

2. Vintage of hydro – We understand the state's desire to bring online new resources, but the way the language is currently proposed prevents creative designs and chills potential competition. For instance, our proposal could bring as much as 600 MWs of new Class I wind resources, and when combine with existing small hydro would bring firm delivered clean energy product with higher transmission capacity usage (compared to wind alone) into New England. While our assets are not "new," they would be incremental to southern New England – and would allow for the addition of up to 600 MWs of Class I renewables to Connecticut.

To align with the initial legislative intent of Connecticut's Renewable Portfolio Standards and to meet the region's electricity challenges, Brookfield Renewables recommends exempting from the current requirements (size and vintage) hydro resources when combined with qualified Class I wind resources.

Thank you for the opportunity to submit these comments and I look forward to more discussions.

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/s/

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